(a) whether it is a fact that out of six core sectors like crude petroleum, petroleum refinery products, electricity, cement and finished steel etc. progress was low in five sectors in April, 2005 as against April, 2004 due to which the growth rate of infrastructure was 7 per cent as against 10.5 per cent;

(b) if so, the reasons therefor; and

(c) the steps being taken by Government to maintain high growth rate?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) to (c) As per the latest information available, the overall growth of six infrastructure industries (comprising crude petroleum, petroleum refinery products, electricity, coal finished steel and cement accounting for a weight of 26.68% in the index of industrial production with base 1993-94) was 4.4 per cent in April, 2005 compared to 9.1% in April, 2004. The slowdown in the overall growth was due to negative growth in both crude and petroleum products, lower growth in electricity generation and in cement production in April, 2005 against April, 2004. Steps to improve domestic oil production are being taken. These include improving the recovery factor from existing major fields, increasing exploration efforts through New Exploration Licensing Policy, exploring new areas and developing newly discovered fields speedily. For power, the Electricity Act, 2003 contains enabling provisions for the development of a competitive and efficient power sector. Also Government is implementing the Accelerated Power Development and Reforms Programme (APDRP) aimed at implementing distribution reforms. For cement industry the Government has identified thrust areas for increasing demand for cement.

Diversification of trade between India and China

1756. SHRI S.M. LALJAN BASHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have any medium term plans to diversify the trade basket between India and China;

(b) whether it is a fact that Government has studied the issue of diversifying the trade pattern between India and China;

(c) if so, what are the recommendations or plans of Government to diversify and expand the trade with China;

(d) to what extent does Government feel that Indian industry should set up production bases in China to increase business; and

(e) the details of targets set to expand trade with China by 2010 to reach US dollars 20 billion a year?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (c) In follow up of the announcement during the visit of former Prime Minister to China in June, 2003, to establish a Joint Study Group (JSG) between India and China, a JSG was set up to examine the potential complementarities between the two countries in expanding trade and economic cooperation. The Joint Study Group was mandated to draw up a programme for the development of India-China trade and economic cooperation for the next five years.

The report of the JSG was presented to the Prime Ministers of India and China during the visit of Premier Wen Jiabao to India in second week of April, 2005. The JSG report recommends a number of measures to expand trade and economic cooperation between India and China. The report specifically mentions that to triple the trade between the two countries on a consistent and sustained basis, it is essential for India and China to diversify their export baskets.

(d) The Government encourages and supports measures that increase business-to-business linkages between India and China. The setting up of production bases in China is a decision to be taken by Indian industry on the basis of its commercial feasibility.

(e) In the Joint Statement issued during Premier Wen Jiabao's visit to India during second week of April, 2005, India and China agreed to make joint efforts to increase the bilateral trade volume to US$ 20 billion or higher by 2008.

Indo-Myanmar Trade

1757. SHRI VIJAY J. DARDA:
SHRIMATI MOHSINA KIDWAI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state: